

Is your **company** affected by the **current economic crisis**?



Overcoming the  
**STORM**  
with **Confid**

THE **STRAITS TIMES** A SINGAPORE PRESS HOLDINGS WEBSITE

**DIGITAL:HTML**

May 21, 2009 Thursday

ST701

JOB

THE STRAITS TIME  
BREAKING NEWS



TOP STORIES

SINGAPORE

ASIA

WORLD

MONEY

REVIEW

INSIGHT

Home > Money > Story

## Chip sector 'may have weathered worst of downturn'

By Chua Hian Hou

SINGAPORE'S hard-hit semiconductor sector may have turned the corner, according to industry experts at the Semicon Singapore conference yesterday.

Demand for computer chips 'fell off a cliff last November', said Dr Dan Tracy, industry association Semi's senior director for research and statistics.

And, since then, some of the 50-plus chipmakers based in Singapore, including home-grown Chartered Semiconductor Manufacturing, have suffered hefty losses and been forced to lay off workers.

But the worst may be over, said Dr Tracy, speaking at the three-day event held at the Suntec Convention Centre.

While the year's chip sales are still expected to fall by about 20 per cent compared to last year, demand has bounced back slightly over the past two months - a possible sign that the sector's decline has bottomed out and that it is now recovering, he said.

Systems on Silicon Manufacturing Company (SSMC) chief executive C.V. Jagadish agreed.

The first quarter of the year had been the company's worst since 2003, but the firm has witnessed a pickup in demand since then and is expecting continued improvements over the coming months.

Privately-held SSMC is a joint venture between Europe's NXP and Taiwan Semiconductor Manufacturing Company.

In its most recent earnings report, Chartered also highlighted an

email

print

larger

smaller

discuss

upturn.

How big an improvement the sector will see in the latter part of the year remains 'a big question', said Dr Tracy.

This is because 50 per cent of chips are used in the manufacture of consumer electronic devices, whose sales are heavily dependent on consumer sentiment, which remains shaky, he noted.

Despite the current uncertainty, the Economic Development Board's deputy managing director Manohar Khiatani is optimistic that, 'given its criticality...the industry is certain to bounce back and continue its growth trajectory'.

The Republic made \$37.3 billion worth of semiconductor chips last year, comprising 15 per cent of Singapore's entire manufacturing output and 11 per cent of the world's semiconductor output.

They remain the base building block for most electronic devices - from mobile phones, TV sets and computers to cameras and portable music players.

[» Post comments here](#)



Columnists



Saturday Special Report



S	M	T	W	T	F	S
10	11	12	13	14	15	16
17	18	19	20	21	22	23

[Take Our Poll](#) [Site Map](#) [FAQ](#) [About Us](#) [Advertise](#) [Newslink](#) [NewsPost](#) [ANN](#)

Best viewed at 1152x864 resolution with IE 6.0  
Press Holdings Ltd. Co. Regn No. 198402868E |